

§ 2580.412-23

29 CFR Ch. XXV (7-1-06 Edition)

Subpart F—Exemptions

SOURCE: 28 FR 14410, Dec. 27, 1963, unless otherwise noted. Redesignated at 50 FR 26706, June 28, 1985.

**BONDS PLACED WITH CERTAIN
REINSURING COMPANIES**

§ 2580.412-23 Exemption.

An exemption from the bonding requirements of the Welfare and Pension Plans Disclosure Act is granted by this section whereby bonding arrangements (which otherwise comply with the requirements of section 13 of the Act and the regulations issued thereunder) with companies authorized by the Secretary of the Treasury as acceptable reinsurers on Federal bonds will satisfy the bonding requirements of the Act.

§ 2580.412-24 Conditions of exemption.

(a) This exemption obtains only with respect to the requirement of section 13(a) of the Act that all bonds required thereunder shall have as surety thereon, a corporate surety company, which is an acceptable surety on Federal bonds under authority granted by the Secretary of the Treasury pursuant to the Act of July 30, 1947 (6 U.S.C. 6-13).

(b) The exemption is granted upon the condition that if for any reason the authority of any such company to act as an acceptable reinsuring company is terminated, the administrator of a plan insured with such company, shall, upon knowledge of such fact, be responsible for securing a new bond with a company acceptable under the Act and the exemptions issued thereunder.

(c) In obtaining or renewing a bond, the plan administrator shall ascertain that the surety is one which satisfies the requirements of the Act and the exemptions thereunder. If the bond is for a term of more than one year, the plan administrator, at the beginning of each reporting year, shall ascertain that the surety continues to do so.

**BONDS PLACED WITH UNDERWRITERS AT
LLOYDS, LONDON**

§ 2580.412-25 Exemption.

An exemption from the bonding requirements of subsection 13(a) of the Welfare and Pension Plans Disclosure

Act is granted by this section whereby arrangements (which otherwise comply with the requirements of section 13 of the Act and the regulations issued thereunder), with the Underwriters at Lloyds, London will satisfy the bonding requirements of the Act.

§ 2580.412-26 Conditions of exemption.

(a) This exemption obtains only with respect to the requirements of section 13(a) of the Act that all bonds required thereunder shall have as surety thereon, a corporate surety company, which is an acceptable surety on Federal bonds under authority granted by the Secretary of the Treasury, pursuant to the Act of July 30, 1947 (6 U.S.C. 6-13).

(b) This exemption is granted on the following conditions:

(1) Underwriters at Lloyds, London shall continue to be licensed in a state of the United States to enter into bonding arrangements of the type required by the Act.

(2) Underwriters at Lloyds, London, shall file with the Office of Pension and Welfare Benefit Programs two (2) copies of each annual statement required to be made to the Commissioner of Insurance of those states in which Underwriters at Lloyds, London are licensed. Copies of annual statements shall be filed with the Office of Pension and Welfare Benefit Programs within the same period required by the respective states.

(3) All bonding arrangements entered into by Underwriters at Lloyds, London under section 13 of the Act shall contain a "Service of Suit Clause" in substantial conformity with that set forth in the petition for exemption.

**BANKING INSTITUTIONS SUBJECT TO
FEDERAL REGULATION**

§ 2580.412-27 Exemption.

An exemption from the bonding requirements of subsections 13 (a) and (b) of the Welfare and Pension Plans Disclosure Act is granted whereby banking institutions and trust companies specified in § 2580.412-28 are not required to comply with subsections 13 (a) and (b) of the Act, with respect to

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welfare and pension benefit plans covered by the Act.

[34 FR 5158, Mar. 13, 1969. Redesignated at 50 FR 26706, June 28, 1985]

§ 2580.412-28 Conditions of exemption.

This exemption applies only to those banking institutions and trust companies subject to regulation and examination by the Comptroller of the Currency or the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.

SAVINGS AND LOAN ASSOCIATIONS
SUBJECT TO FEDERAL REGULATION

§ 2580.412-29 Exemption.

An exemption from the bonding requirements of subsections 13 (a) and (b) of the Welfare and Pension Plans Disclosure Act is granted whereby savings and loan associations (including building and loan associations, cooperative banks and homestead associations) specified in § 2580.412-30 are not required to comply with subsections 13 (a) and (b) of the Act, with respect to welfare and pension benefit plans covered by the Act for the benefit of their own employees, where such a savings and loan association is the administrator of such plans.

[32 FR 6840, May 4, 1967. Redesignated at 50 FR 26706, June 28, 1985]

§ 2580.412-30 Conditions of exemption.

This exemption applies only to those savings and loan associations (including building and loan associations, cooperative banks and homestead associations) subject to regulation and examination by the Federal Home Loan Bank Board.

[32 FR 6840, May 4, 1967. Redesignated at 50 FR 26706, June 28, 1985]

INSURANCE CARRIERS, SERVICE AND
OTHER SIMILAR ORGANIZATIONS

§ 2580.412-31 Exemption.

An exemption from the bonding requirements of subsection 13 (a) and (b) of the Welfare and Pension Plans Disclosure Act is granted whereby any insurance carrier or service or other similar organization specified in § 2580.412-32 is not required to comply

with subsections 13 (a) and (b) of the Act with respect to any welfare or pension benefit plan covered by the Act which is established or maintained for the benefit of persons other than the employees of such insurance carrier or service or other similar organization.

[34 FR 5158, Mar. 13, 1969. Redesignated at 50 FR 26706, June 28, 1985]

§ 2580.412-32 Conditions of exemption.

This exemption applies only to those insurance carriers, service or other similar organizations providing or underwriting welfare or pension plan benefits in accordance with State law.

[34 FR 5158, Mar. 13, 1969. Redesignated at 50 FR 26706, June 28, 1985]

Subpart G—Prohibition Against Bonding by Parties Interested in the Plan

SOURCE: 28 FR 14412, Dec. 27, 1963, unless otherwise noted. Redesignated at 50 FR 26706, June 28, 1985.

§ 2580.412-33 Introductory statement.

(a) This part discusses the meaning and scope of section 13(c) of the Welfare and Pension Plans Disclosure Act of 1958 (76 Stat. 39, 29 U.S.C. 308d(c)) (hereinafter referred to as the Act). This provision makes it unlawful “for any person to procure any bond [required by the Act] from any surety or other company or through any agent or broker in whose business operations such plan or any party in interest in such plan has any significant control or financial interest, direct or indirect.” Because the prohibition contained in this provision is broadly stated, it becomes a matter of importance to determine more specifically the types of arrangements intended to be prohibited.

(b) The provisions of section 13 of the Act, including 13(c) are subject to the general investigatory authority of the Director, Office of Labor-Management and Welfare-Pension Reports, embodied in section 9 of the Act. The correctness of an interpretation of these provisions can be determined finally and authoritatively only by the courts. It is necessary, however, for the Labor-Management Services Administrator to reach